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April 27, 2007

The Honorable William G. Holland  
Auditor General  
Iles Park Plaza  
740 East Ash Street  
Springfield, Illinois 62703-3154

Dear Mr. Holland:

As required by Section 3003 of the Fiscal Control and Internal Auditing Act (the Act), we have performed an evaluation of the systems of internal fiscal and administrative controls of the Illinois Emergency Management Agency in effect during the year ended June 30, 2007. This review was conducted in accordance with guidelines established pursuant to Section 3002 of the Act by the Office of the Comptroller, in consultation with the Director of the Department of Central Management Services, and approved by the Legislative Audit Commission.

The objectives of the systems of internal fiscal and administrative controls of the Illinois Emergency Management Agency are to provide reasonable, but not absolute, assurance that:

1. Resources are utilized efficiently, effectively, and in compliance with applicable law;
2. Obligations and costs are in compliance with applicable law;
3. Funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation;
4. Revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and
5. Funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.



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AUDITOR GENERAL

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The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits expected to be derived therefrom, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives. Estimates and judgments are required to assess the expected benefits and related costs of control procedures. Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative controls, including those limitations resulting from resource constraints, legislative restrictions, and other factors.

Finally, projection of any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. Nonetheless, I have taken the necessary measures to assure that the evaluation, identified in the first paragraph, has been conducted in a thorough and conscientious manner.

Ten of the eleven major systems of internal fiscal and administrative controls of the Illinois Emergency Management Agency comply with the requirements of the Act. The remaining major system of internal fiscal and administrative control contains a material weakness. Attachment A to this letter is a summary of the material weakness identified during our evaluation of the systems of internal fiscal and administrative controls including a separate corrective action plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Velasquez", written in a cursive style.

Andrew Velasquez  
Director